
HOUSE BILL No. 1160

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-43.

Synopsis: Forfeiture of economic development incentives. Expands the list of economic development incentives covered by economic development incentive accountability law to include the investment deduction, certain deductions for enterprise zone property, and the state tax liability credits other than the economic development for a growing economy (EDGE) tax credit (which is covered by current law). Provides that a recipient of an economic development incentive who materially alters or terminates the recipient's obligations to its employees or retirees in a pension or retirement plan offered by the recipient forfeits the economic development incentive as of the date of the determination by the department of workforce development of a material alteration or termination. Requires repayment for incentives received in the calendar year of the material alteration or termination. Provides that an economic development incentive forfeited for a material alteration or termination of the recipient's obligations to its employees or retirees in a pension or retirement plan offered by the recipient may not be restored.

Effective: October 1, 2005 (retroactive).

Kuzman, Stilwell

January 9, 2006, read first time and referred to Committee on Commerce, Economic Development and Small Business.

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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

HOUSE BILL No. 1160

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-1.1-43-1, AS AMENDED BY P.L.229-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE OCTOBER 1, 2005 (RETROACTIVE)]: Sec. 1. This chapter applies to the following economic development incentive programs:

(1) Grants and loans provided by the Indiana economic development corporation under IC 5-28 or the office of tourism development under IC 5-29.

(2) Incentives provided in an economic revitalization area under IC 6-1.1-12.1.

(3) Incentives provided under IC 6-1.1-12.4.

(4) Incentives provided under IC 6-1.1-20.8 or IC 6-1.1-45.

~~(5)~~ **(5)** Incentives provided under ~~IC 6-3.1-13~~ IC 6-3.1.

~~(4)~~ **(6)** Incentives provided in an airport development zone under IC 8-22-3.5-14.

SECTION 2. IC 6-1.1-43-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE OCTOBER 1, 2005 (RETROACTIVE)]: Sec. 3. **(a)** If a recipient of an economic development incentive:



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(1) fails to comply with the wage and benefit levels that the recipient proposed or promised to obtain an economic development incentive, as determined by the entity awarding the economic development incentive; or

(2) materially alters or terminates the recipient's obligations to the recipient's employees and retirees participating in a pension or retirement plan offered by the recipient, as determined by the department of workforce development;

the recipient forfeits the economic development incentive as of the date of the determination.

(b) A recipient of an economic development incentive that materially alters or terminates the recipient's obligations to the recipient's employees and retirees participating in an employer's pension or retirement plan offered by the recipient, as determined by the department of workforce development, shall repay the total amount of the economic development incentives received by the recipient in the calendar year of the material alteration or termination.

(c) The repayment required by subsection (b) must be paid to the department of state revenue on a form prescribed by the department. If the amount of a property tax deduction is repaid under subsection (b), the department of state revenue shall distribute the repayment to the county auditor of the county in which the property subject to the deduction is located. The county auditor shall allocate the repayment amount among the taxing units of the county in the same manner that property taxes are apportioned and distributed with respect to property located in the taxing district in which the property subject to the deduction is located.

(d) The department of state revenue shall transfer any repayments received under subsection (b) for an economic development incentive that is not a property tax deduction to the treasurer of state for deposit in the state general fund.

SECTION 3. IC 6-1.1-43-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE OCTOBER 1, 2005 (RETROACTIVE)]:
Sec. 4. (a) If an economic development incentive is forfeited under section 3(a)(1) of this chapter, the economic development incentive may not be restored to the recipient until the entity awarding the economic development incentive determines that the recipient is in compliance with the proposed or promised wage and benefit levels.

(b) If an economic development incentive is forfeited under section 3(a)(2) of this chapter, the economic development incentive

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1 **may not be restored to the recipient.**
2 **SECTION 4. An emergency is declared for this act.**

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